

Message Text

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17

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 COME-00 L-03 OPIC-03 TRSE-00

OMB-01 H-02 PRS-01 CIAE-00 INR-07 NSAE-00 /035 W

----- 019678

R 240423Z JUN 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 8844

INFO AMEMBASSY TOKYO

LIMITED OFFICIAL USE JAKARTA 7561

E.O. 11652: N/A

TAGS: CPRS, EINV, ID

SUBJ: FOREST PRODUCTS CORP COMPLAINT

REF: STATE 131086 (NOTAL)

1. DESPITE NUMEROUS EFFORTS EMBASSY HAS BEEN UNABLE TO ARRANGE MEETING WITH DIRECTOR GENERAL OF FORESTRY OR ANY OTHER OFFICIAL OF THAT DIRECTORATE GENERAL. JAKARTA'S INDONESIAN OBSERVER OF SATURDAY, JUNE 21, CARRIED HOUSTON DATELINE STORY FROM UPI INDICATING THAT INDUSTRIAL INVESTMENT DEVELOPMENT CORPORATION (PARENT OF INDONESIA INDUSTRIAL INVESTMENT CORP. LTD. AND FOREST PRODUCTS CORP. LTD.) FILED SUIT ON JUNE 10 IN UNNAMED U.S. FEDERAL COURT ASKING TRIPLE DAMAGES AGAINST FOUR FIRMS. DEFENDENTS ARE MITSUI AND COMPANY LTD. OF JAPAN, MITSUI AND COMPANY LTD. (INDONESIA), MITSUI AND COMPANY (USA) INCORPORATED, AND P.T. TELAGA MAS KALIMANTAN COMPANY OF JAKARTA.

2. U.S. FIRM SEEKING \$194 MILLION DAMAGES AGAINST CLAIMED LOSS OF \$69.4 MILLION IN SALES OF TIMBER. ACCORDING PRESS REPORTS, SUIT CLAIMS FOREST PRODUCTS SIGNED AGREEMENT WITH TELAGA MAS AND GOI TO CUT TIMBER ON 145,789 ACRES IN INDONESIA BUT "CONSPIRACY PREVENTED FULFILLMENT OF CONTRACT." STORY STATES THAT FOREST PRODUCTS WAS TO PROVIDE FUNDS FOR TIMBER OPERATION FOR EXPORT TO U.S.,
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BUT THAT MITSUI INTERVENED WITH LOAN TO TELAGA MAS OF

\$350,000 OF WHICH \$30,000 WAS TO BE PAID TO GOI AS
"COMMISSION."

3. ANTARA FINANCIAL AND ECONOMIC NEWS OF MONDAY, JUNE 23,
CARRIES TOKYO DATELINE STORY INDICATING THAT MITSUI OFFICIALS
SAID THEIR FIRM HAS "CONNECTIONS WITH TELAGA MAS BUT DECLARED
THAT THEY WERE COMPLETELY UNAWARE OF THE CLAIM MADE BY THE
AMERICAN FIRM." STORY ALSO INDICATES THAT MITSUI OFFICIALS
INDICATED THAT "TAKING A MATTER CONCERNING INDONESIA TO
A COURT IN THE U.S. WAS OUTSIDE THE JURISDICTION." STORY ALSO
REPORTS THAT MITSUI SAID IT DOES NOT HAVE SUBSIDIARY IN
INDONESIA AND THEY WERE COMPLETELY UNAWARE OF PURPORTED
\$350,000 LOAN TO INDONESIAN FIRM.

4. WITH CASE APPARENTLY ALREADY IN U.S. COURTS, WE BE-
LIEVE IT BEST NOT TO PURSUE MATTER RAISED IN REFTEL WITH
SOEDJARWO OR OTHER GOI OFFICIALS. NEWS OF SUIT MAY
WELL TRIGGER QUERIES FROM GOI SIDE SO THAT WE WILL APPRECIATE
ANY FURTHER INFORMATION AVAILABLE TO DEPARTMENT,
ESPECIALLY RE PEDERSEN'S DECISION ON POINT RAISED
PARA 1 OF REFTEL.
NEWSOM

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NNN

Message Attributes

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